

§ 1.6049-6

26 CFR Ch. I (4-1-10 Edition)

(a) A bank certificate of deposit (without regard to whether the broker or middleman sold the certificate of deposit to the owner), or

(b) Any other original issue discount debt instrument that is specified by the Commissioner,

must determine whether that obligation is one that was issued at a discount and the amount of discount that is includible in the income of the owner. However, before January 1, 1987, reporting is required only with respect to certificates of deposit (or any such other obligations) held by a broker or middleman as a nominee on or after June 1, 1986, that were sold by the broker or middleman (whether for the broker's account or as an agent of the issuer) to the owner. The preceding two sentences do not apply to certificates of deposit (or any such other obligations) held on or after January 1, 1986, but disposed of before June 1, 1986; reporting requirements with respect to such certificates of deposit (or any other such obligations) shall be determined under the provisions of § 1.6049-5 (c) as in effect immediately prior to publication of this § 1.6049-5T.

[T.D. 8109, 51 FR 45106, Dec. 17, 1986]

§ 1.6049-6 Statements to recipients of interest payments and holders of obligations for attributed original issue discount.

(a) *Requirement of furnishing statement to recipient.* Every person filing a Form 1099 under section 6049(a) and § 1.6049-4(e) shall furnish to the person whose identifying number is required to be shown on the form a written statement showing the information required by paragraph (b) of this section. With respect to interest other than interest reported on a transactional basis under § 1.6049-4(e), no statement is required to be furnished under section 6049(c) and this section if the aggregate of the payments for the calendar year is less than \$10, unless such payment is subject to the tax imposed under section 3406. In the case of any payment that is subject to withholding under section 3406, a statement shall be furnished irrespective of the amount of the payment. With respect to payments which are reported on a transactional basis, no statement is required to be furnished

under section 6049(c) and this section to a person if the payment of interest to (or received on behalf of) such person for the transaction is less than \$10 unless the payment is subject to withholding under section 3406. Again, in the case of any payment that is subject to withholding under section 3406, a statement shall be furnished irrespective of the amount of the payment.

(b) *Form of statement.* The written statement required to be furnished to a person under paragraph (a) of this section shall show the following information:

(1) With respect to payments of interest (other than original issue discount) to any person during a calendar year, the statement shall show:

(i) The aggregate amount of payments shown on Form 1099 as having been made to (or received on behalf of) such person;

(ii) The amount of tax withheld under section 3406, if any;

(iii) The name and address of the person filing the form; and

(iv) A legend stating that such amount is being reported to the Internal Revenue Service.

(2) With respect to original issue discount includible in the gross income of a holder of an obligation during a calendar year, the statement shall show:

(i) The aggregate amount of original issue discount includible in the gross income by (or on behalf of) such person for the calendar year with respect to the obligation (determined by applying the rules of paragraph (b)(2) of § 1.6049-4);

(ii) The amount of tax withheld under section 3406, if any;

(iii) The account, serial, or other identifying number of each obligation with respect to which a return is being made;

(iv) All other items shown on Form 1099 for such calendar year; and

(v) A legend stating that such amount and such items are being reported to the Internal Revenue Service.

(c) *Time for furnishing statements.* Each statement required by this section to be furnished to any person for a calendar year with respect to a payment of interest (other than interest where a middleman or a Federal agency makes a return on a transactional

basis (as described in paragraph (e) of § 1.6049-4)) shall be furnished to such person after April 30 of the year of payment and on or before January 31 of the following year, but no statement may be furnished before the final interest payment for the calendar year. If a middleman or a Federal agency makes a return on a transactional basis, the statement shall be furnished at, or any time subsequent to, the time of payment, but in no event later than January 31 of the year following the calendar year of payment.

(d) *Special rule.* The requirements of this section for the furnishing of a statement to any person, including the legend requirement of paragraph (b)(1)(iv) and (2)(v) of this section, may be met by the furnishing to such person a copy of the Form 1099 filed pursuant to § 1.6049-4, or an acceptable substitute, in respect of such person. However, in the case of Form 1099 with respect to original issue discount on obligations subject to section 1232A, a copy of the instructions must also be sent to such person. A statement shall be considered to be furnished to a person within the meaning of this section if it is mailed to such person at his last known address.

(e) *Statements to recipients—(1) Requirement.* A person required to make an information return under section 6049(a) and § 1.6049-4 must furnish a statement to each recipient whose identifying number is required to be shown on the related information return for interest or original issue discount paid or accrued.

(2) *Form, manner, and time for providing statements to recipients.* The statement required by paragraph (e)(1) of this section must be either the official Form 1099 prescribed by the Internal Revenue Service for the respective calendar year or an acceptable substitute statement. The rules under § 1.6042-4 (relating to statements with respect to dividends) apply comparably in determining the form of an acceptable substitute statement permitted by this paragraph (e). Those rules also apply for purposes of determining the manner of and time for providing the Form 1099 or its acceptable substitute to a recipient under paragraph (e)(1) of this section. However, with respect to

original issue discount, the Form 1099 or acceptable substitute statement required by paragraph (e)(1) of this section must show the aggregate amount of original issue discount includible in the gross income by the recipient for the calendar year with respect to the obligation (determined by applying the rules of § 1.6049-4(b)(2)), and the amount, serial number, or other identifying number of each obligation with respect to which a return is being made. With respect to interest or original issue discount, the Form 1099 or acceptable substitute statement required by paragraph (e)(1) of this section must be furnished to the recipient on or before January 31 of the year following the calendar year for which the return under section 6049(a)(1) was required to be made.

(3) *Cross-reference to penalty.* For provisions relating to the penalty provided for failure to furnish timely a correct payee statement required under section 6049(c) and § 1.6049-6(a), see § 301.6722-1 of this chapter (Procedure and Administration Regulations). See § 301.6724-1 of this chapter for the waiver of a penalty if the failure is due to reasonable cause and is not due to willful neglect.

(4) *Special rule for amounts described in § 1.6049-8(a) paid after December 31, 1996.* In the case of amounts described in § 1.6049-8(a) (relating to payments of interest to Canadian nonresident alien individuals) paid after December 31, 1996, any person who makes a Form 1042-S under section 6049(a) and § 1.6049-4(b)(5) shall furnish a statement to the recipient. The statement shall include a copy of the Form 1042-S required to be prepared pursuant to § 1.6049-4(b)(5) and a statement to the effect that the information on the form is being furnished to the United States Internal Revenue Service and may be furnished to Canada.

(5) *Effective date.* This paragraph (e) is effective for payee statements due after December 31, 1995, without regard to extensions. For the substantially similar statement mailing requirements that apply with respect to forms required to be filed after October 22, 1986, and before January 1, 1996, see Rev. Proc. 84-70 (1984-2 C.B. 716) (or

successor revenue procedures). See § 601.601(d)(2) of this chapter.

[T.D. 7881, 48 FR 12976, Mar. 28, 1983, as amended by T.D. 8637, 60 FR 66111, Dec. 21, 1995; 61 FR 11307, Mar. 20, 1996; T.D. 8664, 61 FR 17574, Apr. 22, 1996; T.D. 8664, 61 FR 40993, Aug. 7, 1996; T.D. 8734, 62 FR 53491, Oct. 14, 1997]

§ 1.6049-7 Returns of information with respect to REMIC regular interests and collateralized debt obligations.

(a) *Definition of interest*—(1) *In general.* For purposes of section 6049(a), for taxable years beginning after December 31, 1986, the term *interest* includes:

(i) Interest actually paid with respect to a collateralized debt obligation (as defined in paragraph (d)(2) of this section),

(ii) Interest accrued with respect to a REMIC regular interest (as defined in section 860G(a)(1)), or

(iii) Original issue discount accrued with respect to a REMIC regular interest or a collateralized debt obligation.

(2) *Interest deemed paid.* For purposes of this section and in determining who must make an information return under section 6049(a), interest as defined in paragraphs (a)(1)(ii) and (iii) of this section is deemed paid when includible in gross income under section 860B (b) or section 1272.

(b) *Information required to be reported to the Internal Revenue Service*—(1) *Requirement of filing Form 8811 by REMICs and other issuers*—(i) *In general.* Except in the case of a REMIC all of whose regular interests are owned by one other REMIC, every REMIC and every issuer of a collateralized debt obligation (as defined in paragraph (d)(2) of this section) must make an information return on Form 8811, Information Return for Real Estate Mortgage Investment Conduits (REMICs) and Issuers of Collateralized Debt Obligations. Form 8811 must be filed in the time and manner prescribed in paragraph (b)(1)(iii) of this section. The submission of Form 8811 to the Internal Revenue Service does not satisfy the election requirement specified in § 1.860D-1T(d) and does not require election of REMIC status.

(ii) *Information required to be reported.* The following information must be re-

ported to the Internal Revenue Service on Form 8811—

(A) The name, address, and employer identification number of the REMIC or the issuer of a collateralized debt obligation (as defined in paragraph (d)(2) of this section);

(B) The name, title, and either the address or the address and telephone number of the official or representative of the REMIC or the issuer of a collateralized debt obligation who will provide to any person specified in paragraph (e)(4) of this section the interest and original issue discount information specified in paragraph (e)(2) of this section;

(C) The startup day (as defined in section 860G(a)(9)) of the REMIC or the issue date (as defined in section 1275(a)(2)) of the collateralized debt obligation;

(D) The Committee on Uniform Security Identification Procedure (CUSIP) number, account number, serial number, or other identifying number or information, of each class of REMIC regular interest or collateralized debt obligation;

(E) The name, title, address, and telephone number of the official or representative of the REMIC or the issuer of a collateralized debt obligation whom the Internal Revenue Service may contact, and

(F) Any other information required by Form 8811.

(iii) *Time and manner of filing of information return*—

(A) *Manner of filing.* Form 8811 must be filed with the Internal Revenue Service at the address specified on the form. The information specified in paragraph (b)(1)(ii) of this section must be provided on Form 8811 regardless of whether other information returns are filed by use of electronic media.

(B) *Time for filing.* Form 8811 must be filed by each REMIC or issuer of a collateralized debt obligation on or before the later of July 31, 1989, or the 30th day after—

(1) the startup day (as defined in section 860G(a)(9)) in the case of a REMIC, or

(2) the issue date (as defined in section 1275(a)(2)) in the case of a collateralized debt obligation.